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LEGISLATIVE HISTORY

Public Law 85-390
S. 3120

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Index and summary of S. 3120

Jan. 23, 1958	Sen. Kuchel introduced and discussed S. 3120 which was referred to the Senate Agriculture and Forestry Committee. Print of bill and the remarks of Sen. Kuchel.
Mar. 3, 1958	Rep. Engle introduced H. R. 11092 which was referred to the House Agriculture Committee. Print of bill as introduced.
Mar. 25, 1958	Senate committee reported S. 3120 with amendments. S. Report No. 1418. Print of bill and report.
Mar. 31, 1958	Senate passed S. 3120 with amendments.
Apr. 1, 1958	S. 3120 was referred to the House Agriculture Committee. Print of bill as referred.
Apr. 2, 1958	House subcommittee ordered H. R. 11092 reported with amendment.
Apr. 15, 1958	House committee ordered H. R. 11092 reported.
Apr. 16, 1958	House committee reported H. R. 11092 with amendment. H. Report No. 1607. Print of bill and report.
Apr. 21, 1958	House passed . S. 3120 without amendment in lieu of H. R. 11092. H. R. 11092 laid on table due to passage of S. 3120.
May 1, 1958	Approved: Public Law 85-390.

HEARING; House Agriculture Committee on H. R. 9814, etc., on "Wheat", Part 1, Serial PP; Feb. and April, 1958.

DIGEST OF PUBLIC LAW 85-390

DURUM WHEAT ALLOTMENTS FOR TULELAKE AREA, CALIFORNIA.

Amends the Agricultural Adjustment Act of 1938 so as to provide for a minimum wheat acreage allotment in the Tulalake area, California, for 1958 and 1959 of 8,000 acres for the production of durum wheat (Class II). This additional acreage made available to the area is in addition to the National, State, and county allotments otherwise established under existing law, and is for apportionment between Modoc and Siskiyou counties on the basis of relative needs for additional allotments for the portion of the area in each county. A farm receiving additional allotments cannot participate in the wheat acreage reserve program, and wheat produced on the farm is not eligible for price support.

85TH CONGRESS
2D SESSION

S. 3120

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 1958

Mr. KUCHEL introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1958 and subsequent crops, by adding at the end thereof
6 a new subsection as follows:

7 “(h) Notwithstanding any other provision of this Act
8 the Secretary shall exempt from the wheat acreage allot-
9 ment and wheat marketing quota provisions of this Act the

1 production of durum wheat (class II) in the portions of
 2 Modoc and Siskiyou Counties, California, that comprise the
 3 area known as the Tulelake division of the Klamath project
 4 of California, as defined by the United States Department
 5 of the Interior, Bureau of Reclamation. Notwithstanding
 6 any other provision of law, durum wheat (class II) pro-
 7 duced in such area shall not be eligible for price support as
 8 provided under section 101 of the Agricultural Act of 1949,
 9 as amended."

A BILL

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By Mr. KUCHEL

JANUARY 23, 1958

Read twice and referred to the Committee on
Agriculture and Forestry

county PUDs in Washington can float bond issues running into hundreds of millions with no more assets than a power license, surely a BPA (Bonneville Power Agency) could do the same, and at lower interest rate than the recent Chelan PUD issue where the coupon rate was 5 percent.

There would be some obvious advantages from a local authority. The pull and haul for congressional appropriations would be halted. Projects could be scheduled better. Comprehensive contracts could be let. Administrative costs should be lower.

On the other hand some difficulties can be foreseen. Unless the unfair "public preference" clause is omitted, Oregon would virtually be eliminated as a sharer in the agency's power output, unless it had a surplus to dispose of.

The problem of government also rises. If it is to be a Federal authority, then it will remain a Federal instrumentality. If it is to be a regional agency, the mechanics for its continuing control is complicated. The compact idea is not flexible enough. There are successful interstate authorities—Port of New York for instance—but none where the contention potential is so pronounced. If appointments are to be made by governors, we have chances of disagreement there—or of reversal of policies depending on the swings of political fortunes. The old argument between upstream and downstream states would arise. A prime question is this: To whom would the governing body of the agency be responsible—to the Congress, to the President, to the States (governors or legislatures), to the people of the several states?

Still other questions present themselves: What would its status be, in case it wanted to construct a dam, with relation to conflicting interest: fishing, irrigation, wild life? Also how would costs be apportioned on multiple purpose projects like Libby Dam?

We do not imply that these difficulties cannot be hurdled. That should be possible; but we would do well to have them spelled out in advance rather than to plunge in with blind optimism.

It may be too late for such an agency to get authorization from Congress. So many of the potential sites already are committed that the pattern already has been pretty well fixed. Also Congress is characteristically slow to move, and certainly will not enact this measure unless it has hearty support from the Northwest congressional delegation.

Let us have the bill introduced, however, and laid open for public discussion and congressional consideration. The idea itself has merit. Give the bill to implement it a close but fair look.

[From the East Oregonian, Pendleton, Oreg., of December 10, 1957]

A REGIONAL CORPORATION

Because the Congress will be asked by the Eisenhower administration to appropriate more funds for defense there has been much speculation as to the availability of funds for domestic programs. It has been anticipated that the administration will adopt a "no new starts" policy which would halt appropriations for water resources development projects—hydroelectric, reclamation, and flood control.

How would this—delaying of construction of John Day Dam, impounding funds for construction of the Crooked River reclamation project, withholding funds for several other projects that have been authorized—affect the economy of the State of Oregon?

Oregon's economy is dependent upon the development of three basic resources—wood, soil, and water. Wood products manufacturing contributes most to the State's economy and agriculture stands second. Full utilization of the water resources of the State in

the direction of increasing agricultural production and providing all available hydroelectric energy from our streams could do much more toward growth of the State's economy than has been done.

Some of the job of developing the State's water resources can be done by the private power companies. They are doing some of it now. But there is much they cannot do. They cannot build reclamation projects and neither can any other private group. And they cannot provide low-cost power that will attract those industries that must have low-cost power.

Metallurgical industries have been moving into the Ohio Valley and eastward because the Northwest cannot provide them with abundant low-cost power. Although they are paying more than they would be charged for Bonneville power the higher cost is just about offset by higher freight rates they would pay on products manufactured in the Northwest and shipped to the populous centers of the Midwest and East. Low-cost power must be available in the Northwest in sufficient quantity to attract those industries here. There are too many contrary factors that make the region undesirable to them.

What can be done to assure the continued development of the vast hydroelectric potential of this region?

Senator RICHARD NEUBERGER says it is the responsibility of the Federal Government and he refuses to accept the administration's premise that the Nation cannot afford to develop its resources at the same time that it is catching up with the Russians in the missiles race. He points out that the Russians are well able to keep both programs going simultaneously and argues that the United States is quite capable of matching the Soviets.

There is another approach to the subject. Its proponents do not take issue with Senator NEUBERGER, but it has been their thinking for some time that the day might not be too far off when the Congress, no matter in which party's control, would refuse to annually spend large sums of money for the development of the hydroelectric potential of the Northwest. They point out that it has been increasingly difficult to get adequate funds. The Oregonian has been a spokesman for this group. It is that newspaper's suggestion that a regional corporation, composed of the Federal Government and the Northwest States, be formed to build hydroelectric projects in this region. The job would be financed by borrowing funds on existing installations, thereby removing the Federal Government from financing.

We think Senator NEUBERGER is entirely right, that this Nation is well able to pay for the development of its resources while it is spending for an adequate defense. But we would like to see the introduction of legislation that would establish a regional corporation. Then, if the Congress refused to make any more appropriations for hydroelectric projects in the Northwest the region would not be placed in a vacuum. A regional corporation would permit progress on the huge task of developing the region's hydroelectric potential. We do not see how industrial and business growth can be accomplished without full utilization of the water resources of the region.

[From the Oregonian, Portland, Oreg., of January 17, 1958]

POWER PLANNING CHAOS

The President's budget for Northwest water projects illustrates again why this newspaper advocates a regional power corporation for comprehensive planning and orderly construction of Columbia Basin power units with major self-financing by sale of revenue bonds.

The \$2 million item for John Day Dam in the Columbia would barely keep that needed project alive. The Eisenhower administration originally favored partnership construction of this dam, which is a link in the Federal system. But Congressman Sam Coon's bill to effect that, with local utilities to be the cash-contributing partners, never got out of committee, and Coon was defeated at the next election.

The next administration budget did not include anything for John Day. But the Democratic Congress approved a token amount, \$1 million, to nail down the project, as a Federal undertaking. The administration accepted that, but in the present budget squeeze to provide more billions for arms without new taxes, only \$2 million was asked for John Day. Only preliminary work could be done, if that figure should be accepted by Congress, toward construction of a \$350 million project.

Ice Harbor, Hills Creek, and Cougar Dams, also given life by Congress without administration approval, fared better in the budget. But the administration policy is no new starts—a policy which Congress may accept, this time, in view of the new sums needed for missiles, earth satellites, and the military generally. That means postponement of lower Monumental Dam, the next in a stairway of four to bring navigation to Lewiston on the Snake, and of Green Peter Dam, on the South Santiam, another project, like Cougar, on the South Fork of the McKenzie, originally labeled partnership by the administration.

The President did include \$196,000 to complete a Bureau of Reclamation study of feasibility of a high dam at the Pleasant Valley site in the Snake—a study sought by Secretary of Interior Seaton but forbidden by a committee of Congress last session. Here, again, orderly planning has taken a beating from the political pull and haul between administration and Congress. Northwest Power Co.'s application for a lower dam at Pleasant Valley is before the Federal Power Commission and a decision may be expected before Congress can act on the high dam survey item. The higher dam should have been studied long ago.

The record of Federal planning and construction in the Columbia Basin is that of a drunken man staggering up hill on a windy day. Besides the tug-of-war between Congress and the administration, and between the political parties, there has been an underground cold war among the Federal agencies, including the Army engineers, Bureau of Reclamation, Federal Power Commission and Bonneville Power Administration, and a constant struggle between public power and private power.

We see no relief from this chaotic warfare which is strangling Northwest water resource development, in view of the space-age requirements for more and more appropriations for arms to compete with Russia. The time is right for congressional approval of a single, self-financing Northwest agency to absorb the Bonneville Power Administration and take over planning and construction of multiple-use projects.

Mr. NEUBERGER. In conclusion, Mr. President, I send to the desk the bill and the insertions to which I have referred, and I ask that the bill be appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3114) to amend the Bonneville Project Act in order to establish the Columbia River Development Corporation, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

EXEMPTION OF CERTAIN DURUM WHEAT FROM ACREAGE ALLOTMENT AND MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT

Mr. KUCHEL. Mr. President, I introduce, for appropriate reference, a bill to exempt the production of durum wheat in the Tule Lake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. I ask unanimous consent that a statement, prepared by me, relating to the bill, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3120) to exempt the production of durum wheat in the Tule Lake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. KUCHEL is as follows:

STATEMENT BY SENATOR KUCHEL

I am introducing this bill for the veteran homesteaders of the Tule Lake division of the Klamath project in northern California. That basin, totaling about 68,000 acres, lies above 4,000 elevation which limits its crop program to alsike clover, alfalfa, potatoes, and malt barley. Since World War II, veterans settled the land. A combination of low tariffs, prohibitive freight rates and the diversion of acreage from the basic crops have rendered these crops profitless. This has resulted in the economic failure of 40 percent of these settlers in the past 3 years. After 5 years of extensive experimentation in cooperation with the University of California, durum wheat has emerged as the crop most likely to solve the problem. They have proven that they can raise not only high-quality durum wheat, but have established a local market for macaroni that no other durum area can fill. However, they have been unable to obtain wheat allotments to raise it legally, and they have requested this legislation as a last desperate means of saving their community. Through it, they ask the permission of the Congress of the United States to stay in business.

PROPOSED CONSTITUTIONAL AMENDMENT TO GIVE CONGRESS POWER TO DETERMINE DISABILITY OF THE PRESIDENT TO DISCHARGE THE POWERS AND DUTIES OF HIS OFFICE

Mr. O'MAHONEY. Mr. President, I introduce a joint resolution proposing an amendment to the Constitution of the United States to provide for a method of determining disability of the President of the United States.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 141) proposing an amendment to the Constitution of the United States relating to the determination of the inability of the President to discharge the powers and

duties of his office, introduced by Mr. O'MAHONEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. O'MAHONEY. For the third time in the history of this Nation, we are confronted with a situation which graphically demonstrates the ambiguity created by precedent in the Presidential succession provisions of our Constitution.

When, after having been shot down by a disappointed office seeker, President Garfield lay ill for 80 days and his sole act as President was his signature on an extradition paper, the country wondered if it would be constitutionally proper for the Vice President to assume the powers and duties of the President. Even the Members of the Cabinet debated whether, if he did so, the President, upon recovery, could resume the duties of his office.

When President Wilson lay seriously ill, the victim of a severe stroke, the Nation again pondered these issues.

Now President Eisenhower, himself the unfortunate victim of heart attack, ileitis, and cerebral spasm, has called upon the Congress to settle once and for all the perplexing issues arising out of the Presidential succession in times when the President is incapacitated.

JOHN TYLER SET PRECEDENT MORE THAN 100 YEARS AGO

We would not be here reviewing this problem had it not been for the precedent established by Vice President John Tyler in 1841, when upon the death of President William Henry Harrison, he insisted upon taking the oath as President of the United States and resisted all attempts to address him as Acting President rather than the President.

He had already taken the oath of office as Vice President of the United States. There is no language in the Constitution requiring the Vice President, upon succeeding to the powers and duties of the office of President, to take a new oath of office. It was John Tyler who created that precedent, as the result, I am confident, of a misconstruction of the language of the Constitution.

There were many in Tyler's day who would not agree that he was President, but rather felt that he was Acting President. Among the newspapers of the day, the Harrisburg Intelligencer, the Richmond Inquirer, and the New York Evening Post expressed that view. Some Members of Congress raised the question of how they should address him when they notified him that the Congress was ready for work. It was Mr. Wise of Virginia who informed the Congress that Tyler would insist upon being regarded as the President and, although this did not meet with the approval of persons such as Senator William Allen of Ohio, Vice President Tyler had his way, and was thereafter known as the President.

THERE WAS A POLITICAL BACKGROUND TO TYLER'S ACTION

It may be of interest to point out that this action was the result of the fact that William Henry Harrison was a Whig and Tyler a Democrat. Harrison was nominated by the Whigs as their candidate for President in 1840. The

campaign was conducted without a political platform upon the part of the Whigs.

John Tyler, who had been at least a dissident Democrat, so far as some of the policies of Andrew Jackson and Martin Van Buren were concerned, was persuaded by the Whigs to accept the nomination for Vice President. However, when Harrison died, the Cabinet, headed by Daniel Webster, sent a message to Mr. Tyler, at his home in Virginia, to the effect that, owing to the regrettable death of the President of the United States, William Henry Harrison, he, John Tyler, was now Acting President. Observe I say "Acting President."

Instead of responding to this message, Tyler came hurrying to Washington, and he persuaded Chief Judge William Cranch of the Circuit Court of the District of Columbia to administer to him the oath of President of the United States.

The reason behind his insistence upon being known as the President was that he was fearful that the Cabinet, appointed by General Harrison, would attempt to direct his activities in the office of President and in discharging his duties and powers of that office.

So, refusing to be subject to the orders of the Cabinet, he took the oath as President.

CONSTITUTION CITED IN ARGUMENTS ON BOTH SIDES OF QUESTION

The language of article II, section 1, clause 6 of the Constitution formed the basis of the arguments both pro and con with respect to the right of Vice President Tyler to become more than Acting President. That part of the Constitution reads as follows:

ARTICLE II, SECTION 1, CLAUSE 6, THE CONSTITUTION OF THE UNITED STATES OF AMERICA

In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the Same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation, or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

The matter of Presidential succession first appeared in the Constitutional Convention in the draft submitted by Charles Pinckney. When the original draft of the Constitution went to the Committee on Style it contained two separate clauses dealing with Presidential succession. Although the manner of the selection of the President and the status of his successor had not been decided upon by the Convention at that point, it is interesting to note the language of these two clauses.

This is the language which went to the Committee on Style, and which was revised solely for the purpose of attaining what the members of that committee deemed to be better literary quality in the great document which was being prepared. I now read the Pinckney provision:

In case of [the President's] removal as aforesaid, death, absence, resignation, or inability to discharge the powers or duties of

85TH CONGRESS
2D SESSION

H. R. 11092

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1958

Mr. ENGLE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1958 and subsequent crops, by adding at the end thereof
6 a new subsection as follows:

7 “(h) Notwithstanding any other provision of this Act
8 the Secretary shall exempt from the wheat acreage allot-
9 ment and wheat marketing quota provisions of this Act the

1 production of durum wheat (class II) in the portions of
2 Modoc and Siskiyou Counties, California, that comprise the
3 area known as the Tulelake division of the Klamath project
4 of California, as defined by the United States Department
5 of the Interior, Bureau of Reclamation. Notwithstanding
6 any other provision of law, durum wheat (class II) pro-
7 duced in such area shall not be eligible for price support as
8 provided under section 101 of the Agricultural Act of 1949,
9 as amended."



A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. ENGLE

MARCH 3, 1958

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 26, 1958
For actions of March 25, 1958
85th-2d. No. 48

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HIGHLIGHTS: See page 9.

SENATE

1. FARM PROGRAM. Sens. Ellender and Kerr urged the President to sign S. J. Res. 162, the measure to freeze acreage allotments and price supports at 1957 levels. Sen. Ellender contended that newspaper statements that the measure would freeze prices were not true, instead the measure "merely tells the Secretary of Agriculture that he shall not further depress farm prices below the prices that were paid farmers in 1957, which means that the farm prices on all basic commodities can flex upward to 90 percent from the prices paid last year." Sen. Kerr stated that "there is no segment of our economy with reference to which the need is greater or with reference to which remedial action will be more effective in overcoming the recession than the segment of agriculture." pp. 4653-54, 4657-58

2. DURUM WHEAT. The Agriculture and Forestry Committee reported with amendments S. 3120, to modify the acreage-allotments and marketing-quotas requirements regarding durum wheat in the Tule Lake area, Modoc and Siskiyou Counties, Calif. (S. Rept. 1418). p. 4608

3. ROADS. Continued debate on S. 3414, authorizing appropriations for the construction of roads, including forest highways and forest roads and trails. Agreed to a unanimous consent agreement limiting debate to "four hours on the so-called billboard amendment, and 3 hours on the utility amendment," 1 hour on any other amendment, and 4 hours on the question of final passage. Pending is the amendment by Sen. Kerr to strike out sec. 12 of the bill to regulate billboards along any portion of the interstate system. pp. 4629-52, 4662-74, 4682-83

Following are excerpts from the committee report on the bill:

"The committee believes that an increase in forest-highway funds is warranted and justified to improve and maintain these highways to carry the present traffic loads, and to bring them to a condition comparable to the adjoining and connecting roads that are located on lands that are on the local tax rolls. An increase in forest-highway funds from \$30 million to \$36 million for fiscal years 1960 and 1961 is recommended.

"The \$30 million authorized for forest highways for fiscal year 1959 was apportioned to the States on November 6, 1957, in accordance with a revised apportionment formula resulting from recent valuation studies by the Forest Service which showed that the value of national forest land had increased approximately 340 percent over the value upon which the apportionment for fiscal year 1958 was based. Under existing law, forest-highway funds are apportioned for expenditure in the several States according to the area and value of the land owned by the Government within the national forests. The law does not specify the weight to be given to the factors of area and value. Prior to the recent reappraisal of value, apportionments have been made giving equal weight to each factor. To minimize the change in distribution of funds as compared with prior years, the Secretaries of Agriculture and Commerce after analysis of the reappraisal of value, made the apportionment of the forest-highway funds for fiscal year 1959 on the basis of 75 percent weight to area and 25 percent to value. This change in formula reduced the apportionments received by some States and increased them in others.

"The committee was concerned about this change in apportionment formula by the Secretaries without consultation with State or local officials or Members of the Congress. It would be difficult to adjust the apportionments already made for fiscal year 1959, and the committee recommends approval of such apportionments. It further recommends that the apportionment of forest-highway funds authorized in this bill for fiscal year 1960 and 1961, be made on a basis which will give each State the same percentage of such funds as if received from the apportionment of funds for fiscal year 1958. The committee has included in the bill provisions for the Secretary of Commerce and the appropriate officers of each State to make a study of the forest-highway situation, including designations, estimated cost to complete construction of all forest highways, a recommended 10-year program for construction of the proposed system, and the method by which such amounts should be apportioned for expenditure in the States. The results of the study are to be reported to the President and the Congress on or before January 1, 1960.

"The committee included provisions in the bill that would permit any State to augment the apportionments made to such State for forest highways by transfer of not to exceed the lesser of \$500,000 or 5 percent of its regular Federal-aid apportionments, for construction, reconstruction, or improvement of its forest highways, such transferred funds to be expended in the same manner as the forest-highway funds without matching. The committee believed that this provision would be particularly advantageous to States whose forest-highway apportionments are small, but which have important segments of forest highways in need of improvement. It is the intent of the committee, however, that these transferred funds be expended only on forest highways that are on a Federal-aid highway system. ...

TULELAKE AREA—MINIMUM WHEAT ALLOTMENT

MARCH 25 (legislative day, MARCH 17), 1958.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 3120]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3120) to exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage-allotment and marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill, with the committee amendment to its text, provides for a minimum wheat-acreage allotment in the Tulalake area for 1958 and 1959 of 8,000 acres. The additional acreage would be allotted within the area on the basis of relative needs, tillable acreage, and other factors; and, if planted, would be taken into account in establishing future State, county, and farm allotments. No farm receiving additional acreage could participate in the wheat-acreage reserve program, and no wheat produced thereon would be eligible for price support.

The Tulalake division of the Klamath project was developed by the Bureau of Reclamation and released by it for homesteading by World War I and II veterans. It is estimated that more than 95 percent of those now farming in the area are such veterans.

The area has a very short growing season, and only a few crops can be raised. Prior to 1952, the two principal crops were potatoes and malting barley. Durum wheat was introduced in 1952, and was found to provide a desirable rotation. Following potatoes, it removes the excess nitrogen left in the soil from the previous year's potato crop and makes possible the growing of low nitrogen content barley in the succeeding 2 years. In addition, the diversion of acreage in other areas from allotment crops has increased barley production on the west coast to such an extent as to reduce substantially the income to be obtained from that crop by these farmers.

During 1956 and 1957 producers in this area planted durum wheat under the special durum-wheat provisions of section 334 (e) of the Agricultural Adjustment Act of 1938, and have developed a good local market for such wheat, which cannot be economically satisfied by wheat from other areas. However, acreage planted pursuant to section 334 (e), which has now expired, is not counted in computing future allotments. Consequently, this area has a very low production history, and very low allotments, in relation to acreage actually planted. The acreage planted in 1956 was 6,738 acres and in 1957 was 4,569 acres. The acreage allotted in 1958 is 546 acres. By providing a minimum allotment of 8,000 acres for 1958 and 1959, the bill would provide these farmers with a needed cash crop, permit good rotation, and provide a supply for the market which has been developed in the area.

The bill has been limited to 1958 and 1959. The history built up during these 2 years, together with acreage from the national allotment reserve and the history obtained therefrom, is expected to provide these farmers with fair and equitable allotments in the future.

The report of the Department of Agriculture is attached. The committee amendment was prepared by the Department subsequent to its report to provide the legislative action to which it would not object.

DEPARTMENT OF AGRICULTURE,
Washington, D. C.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of January 25, 1958, for a report on S. 3120, a bill to exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage-allotment and marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended.

This Department does not recommend the enactment of S. 3120.

This bill would amend section 334 of the Agricultural Adjustment Act of 1938, as amended, so as (1) to exempt from the wheat-acreage allotment and marketing-quota provisions of the act the production of durum wheat (class II) in the portions of Modoc and Siskiyou Counties, Calif., that comprise the area known as the Tulalake division of the Kalmath project of California, and (2) to make durum wheat (class II) produced in such area ineligible for price support under section 101 of the Agricultural Act of 1949, as amended.

Our principal objection to this bill stems from the fact that it would establish a precedent which could be used by other groups of wheat producers or producers of other basic agricultural commodities as a basis for similar requests for exemption from acreage allotments and marketing quotas. Such requests, if granted, could work to the disadvantage of producers in other areas and would be inconsistent with the real purpose and objectives of the production adjustment programs. It is obvious that this bill was designed to permit unlimited production of durum wheat in the Tulalake area of California for the purpose of supplying the entire west coast with sufficient macaroni products made from locally produced hard amber

durum wheat to replace the supply of such products which is now being shipped to the coast from other areas of production.

Although we are opposed to this bill, we are sympathetic to the Tulalake Basin farmers' problem and appreciate the fact that existing legislation will not permit the establishment of 1958 wheat-acreage allotments for farms in the area which will reflect their operation during recent years. Therefore, the Department would not object to legislative action which would provide the area with a reasonable wheat-acreage allotments for 1958 and subsequent years to be apportioned by the Secretary, through the local committee, among the farms within the area on the basis of tillable acreage crop rotation practices, type of soil, and topography.

Whatever the amount of the allotment acreage that may be legislatively provided for the area, we would recommend that such acreage be in addition to the national wheat-acreage allotment for 1958 but as part of the national allotment for 1959 and subsequent years.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.¹ The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the country allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years

¹ The following proviso would be added by H. R. 11086 which has been passed by the House and Senate, but has not yet been approved by the President:

"Provided, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year."

ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices.²

(c) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.³

* * * * *

"(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake Division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursu-

² The following proviso would be added by H. R. 11086:

"Provided, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year."

³ The following would be added by H. R. 11086:

*"For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year."**

ant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any.



Calendar No. 1442

85TH CONGRESS
2D SESSION

S. 3120

[Report No. 1418]

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 1958

Mr. KUCHEL introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

MARCH 25 (legislative day, MARCH 17), 1958

Reported by Mr. ELLENDER, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1958 and subsequent crops, by adding at the end thereof
6 a new subsection as follows:

7 “(h) Notwithstanding any other provision of this Act
8 the Secretary shall exempt from the wheat acreage allot-
9 ment and wheat marketing quota provisions of this Act the

1 production of durum wheat (class II) in the portions of
2 Modoc and Siskiyou Counties, California, that comprise the
3 area known as the Tululake division of the Klamath project
4 of California, as defined by the United States Department
5 of the Interior, Bureau of Reclamation. Notwithstanding
6 any other provision of law, durum wheat (class II) pro-
7 duced in such area shall not be eligible for price support as
8 provided under section 101 of the Agricultural Act of 1949.
9 as amended."

10 That section 334 of the Agricultural Adjustment Act of
11 1938, as amended, is amended by adding at the end thereof
12 a new subsection as follows:

13 “(i) Notwithstanding any other provision of this Act
14 the Secretary shall increase the acreage allotments for the
15 1958 and 1959 crops of wheat for farms in the irrigable
16 portion of the area known as the Tululake division of the
17 Klamath project of California located in Modoc and Siskiyou
18 Counties, California, as defined by the United States Depart-
19 ment of Interior, Bureau of Reclamation, and hereinafter
20 referred to as the area. The increase for the area for each
21 such crop shall be determined by adding to the total allot-
22 ments established for farms in the area for the particular
23 crop without regard to this subsection, hereinafter referred to
24 as the original allotments, an acreage sufficient to make avail-
25 able for each such crop a total allotment of eight thousand

1 acres for the area. The additional allotments made available
2 by this subsection shall be in addition to the National, State
3 and county allotments otherwise established under this Act,
4 but the acreage planted to wheat pursuant to such increased
5 allotments shall be taken into account in establishing future
6 State, county, and farm acreage allotments. The Secretary
7 shall apportion the additional allotment acreage made avail-
8 able under this subsection between Modoc and Siskiyou
9 Counties on the basis of the relative needs for additional allot-
10 ments for the portion of the area in each county. The Secre-
11 tary shall also allot such additional acreage to individual
12 farms in the area for which an application for an increased
13 acreage is made on the basis of tillable acres, crop rotation
14 practices, type of soil and topography, and taking into
15 account the original allotment for the farm, if any. No pro-
16 ducer shall be eligible to participate in the wheat acreage
17 reserve program with respect to any farm for any year for
18 which such farm receives an additional allotment under this
19 subsection; and no wheat produced on such farm in such
20 year shall be eligible for price support.

Amend the title so as to read: "A bill to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulalake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes."

85TH CONGRESS
2D SESSION

S. 3120

[Report No. 1418]

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. KUHNEL

JANUARY 23, 1958

Read twice and referred to the Committee on
Agriculture and Forestry

MARCH 25 (legislative day, MARCH 17), 1958
Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 1, 1958
For actions of March 31, 1958
85th-2d, No. 52

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HIGHLIGHTS: See page 6.

SENATE

1. FARM PROGRAM. Received the President's veto message on S. J. Res. 162, to freeze price supports and acreage allotments at 1957 levels (S. Doc. 85). pp. 5125-26

Several Senators criticized, and others defended, the President's veto of the measure. (pp. 5126-29, 5133, 5140-43, 5167) Sen. Ellender stated that an effort would be made to override the veto after Congress returns from the Easter recess. (p. 5127)

Sen. Dirksen inserted the text of the Secretary's testimony Mar. 31, 1958, before the Senate Subcommittee on Agricultural Appropriations. pp. 5157-62

Sen. Thye inserted a letter from a farmer to the Secretary discussing the farm situation, and urging "some definite and permanent solution." pp. 5109-10

Sen. McNamara inserted a telegram from the Mich. State Administrative Board urging the President to approve S. J. Res. 162. pp. 5094-95

2. DURUM WHEAT. Passed with amendments S. 3120, to provide increases in durum wheat allotments for 1958 and 1959 in the Tulalake area, Modoc and Siskiyou Counties, Calif. Agreed to an amendment by Sen. Young to require that the increase in allotments be limited to only class II, durum wheat. pp. 5168-69

3. RECLAMATION. Agreed to S. Con. Res. 75, requesting the President to return enrolled bill S. 2120, to authorize the construction and operation of the lower Rio Grande rehabilitation project, Tex., Mercedes Division, in order that a correction may be made in the bill. (p. 5107 The House concurred in the resolution. (P. 5223)
Received a Mass. General Court resolution urging the enactment of legislation to expand the use of artificial irrigation. p. 5092
4. CHICORY IMPORTS. Passed as reported H. R. 5005, to suspend for 2 years the duty on crude chicory, except endive, and to provide for a new rate of 2 cents per pound on ground or prepared chicory for the temporary 2-year period.
pp. 5155-56
5. ECONOMIC CONDITIONS. Several Senators discussed and inserted material relating to current economic conditions. pp. 5101, 5113-14, 5115-16, 5136-40
6. ELECTRIFICATION. Sen. Humphrey inserted a co-op resolution "favoring the financial policies which have been practical during the past 20 years of REA."
p. 5094
7. PATENTS. Sen. O'Mahoney submitted from the Judiciary Committee a report, "Patents, Trademarks, and Copyrights," together with individual views of Sen. Wiley (S. Rept. 1430). p. 5095
8. RECIPROCAL TRADE. Sen. Smith, N. J., inserted the speeches of President Eisenhower and Adlai Stevenson, Mar. 27, before the National Conference on International Trade Policy in Wash., D. C. pp. 5103-07
9. RESEARCH. Sen. Wiley commended, and inserted a message from HEW Secretary Folsom commending research work at the Univ. of Wisc., including research in the field of agriculture. pp. 5134-36
10. PARITY PRICES. Sen. Humphrey inserted a local Farmers Union resolution opposing lower price-support levels, and urging the restoration of "Farm prices to a full parity level." p. 5093
11. MILK SANITATION. Sen. Humphrey inserted a Minn. Farm Bureau Dairy Committee letter urging "passage of a National Milk Sanitation Act which will set up Federal grades for milk that will allow milk, meeting Federal standards, to move interstate." p. 5093
12. CONSERVATION RESERVE. Received from this Department the annual report on the Conservation Reserve Program of the Soil Bank. p. 5092
13. INTERNATIONAL ORGANIZATION. Received from the State Department a report on the extent and disposition of U. S. contributions to International Organizations. p. 5092
14. BUDGETING. Received a Calif. Legislature resolution favoring enactment "into law H. R. 8002 placing Federal budgeting on an annual accrued expenditures basis." p. 5093
15. WATER CONVERSION. Received a Calif. Legislature resolution favoring "the necessary steps to make southern California the site of the proposed \$10 million sea-water conversion test plant." p. 5092

be \$25, again in addition to the \$39 it contributed under the basic formula.

Thus, no State action is needed to obtain the 25 percent increase.

In order to discourage the States from decreasing their own contribution, I have provided that a State will receive no bonus at all if its own average monthly payment drops from the previous year.

There is no certainty that my proposal will work out as I intend that it should.

The junior Senator from Louisiana [Mr. Long] has labored valiantly to perfect language to assure that recipients will benefit from an increase in Federal contributions to public assistance and not just State treasuries. I understand that he has not been satisfied that any of the proposals that have been offered are certain to accomplish this.

I realize that this proposal does not give the most to those receiving the least. It would revise benefits proportionately, instead of trying to equalize them. The equalization principle is found in the basic formula and I think an across-the-board percentage increase for all States would be salutary simply in itself and also in encouraging the States to improve and raise their own contributions.

It is quite possible that the State agencies that administer public assistance will have some criticism of this proposal. I invite them to come forward with it. I hope hearings can be held by appropriate Committees on both sides of the Capitol on this matter.

Under this section, the Federal bonus of 25 percent of the combined Federal-State effort would apply to all public assistance programs to which the Federal Government now contributes, including aid to the blind and aid to dependent children.

Of course this money would come out of general appropriations, since it is not a part of the old-age and survivors insurance system.

I believe we must make these changes in our social security plan in order to keep it up to date and to keep it responsive to the ideals of our country. The goal for such a program has been well-stated by one of its founders, the great Edwin E. Witte, who wrote:

Those who believe in social insurance, as I do, see in it a bulwark for a free economy and a democratic government. They regard the increasing attention given social security the world over as a necessary, perhaps an inevitable, consequence of an aging population, of industrialization and urbanization, of technological progress and the advance of science and medicine, of rising standards of living and a growing concern for the unfortunate and underprivileged. To them, social security means not a feather bed provided at public expense, but a net to catch those who fall, or rather, a floor which will assure all Americans in all contingencies of life a minimum income sufficient for an existence in accordance with prevailing concepts of decency. Anything above such a minimum, the citizens must still provide for themselves.

Mr. President, I urge the appropriate committee to give early consideration at hearings to my proposals, because I am certain of one thing: Submit this issue to the American people, and an overwhelming majority of them will vote for

at least as much as I have included in my social-security bill. Many of them will say, "You have not gone far enough."

But, in my opinion, this is the correct approach. It constitutes steps in the right direction. I hope we can get action on it before this session of Congress adjourns.

Mr. President, I now turn for a few minutes to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

STAY IN REDUCTION OF SUPPORT PRICES—VETO MESSAGE

Mr. MORSE. Mr. President, the veto today by the President of the United States of the price-freeze legislation recently passed by the Congress will be discouraging news to the farmers of the Nation.

The Governor of Oregon, in a recent telegram on another matter, had reference to the \$80 million farm labor payroll and the \$64 million farm crop processing labor payroll, of my State. The action of the Executive, upon the advice of his Secretary of Agriculture, in vetoing legislation passed by both House and Senate with bipartisan support, will undoubtedly have adverse repercussions upon the farm economy payrolls of Oregon and most other agricultural States.

The Oregon dairy farmer, together with the wheat farmer of eastern Oregon, can best appreciate what this action will cost. Dairy price-support freeze provisions of the vetoed measure were designed, in part, to counter the action of the Secretary, scheduled for tomorrow, in lowering dairy supports.

I sincerely hope that Secretary Benson will not compound the injury to dairy farmers given by this veto, through an ill-advised and stubborn attempt to follow through by persisting in the lowering of dairy supports. To do so is to drive further toward bankruptcy the hard-working men and women upon whom each of us is dependent for the milk we daily drink and the butter on our bread.

My office was advised at 2:30 p. m. today, by Mr. Marvin L. McClain, an Assistant Secretary of Agriculture, that, as of that time, the position of the Secretary remains that he still stands by his guns, and will proceed with the lowered dairy supports. It is a tragic mistake, which while there is yet time, should be avoided by the Secretary.

All the verbiage of the veto message aside, Mr. President, the veto means in all simplicity, that this Eisenhower administration is determined to cut support price levels. To cut price support levels now is particularly harmful to the wheat and dairy farmers of Oregon.

I know that some apologists for the President will point to the recent statistics of a 4 percent rise in farm income, as a justification of the administration policy. If we go below the glittering generality of that figure, Mr. President, what do we find? In the first place, the administration is claiming credit for an act of God—a frost that ruined many truck farmers. The Department of Agriculture figures which were supplied

to me over the telephone at my request show that with respect to tomatoes for example, there has been a price rise of \$8.80 per hundred. Last March the growers stood at \$7.50 per hundred. This March the price is \$16.30 per hundred. Last March 30,000 carloads were shipped from Florida. This March carload shipments are estimated to be only 14,000.

Meat output accounts in the second place for a good portion of the rise, beef now brings to the farmer about \$21.70 per hundred as opposed to the \$16.00 a hundredweight of a year ago. Hogs have risen from \$16.80 a hundred of a year ago to their present price of \$20.30.

These are important gains to farm income, but of what relevance are they to the wheat and dairy farmer? If supports are gone in these strategic areas can we not expect to see a drastic reversal of these encouraging price trends? The dairy farmers who go bankrupt and whose herds are sent to market for slaughter—for who would want to buy them for their highest use—milk?—will get comparatively little for them as cutter and canner grade beef, and this excess of lower-cost beef will undercut the price for higher grade meat.

As unemployment insurance payments run out, it does not take a particularly astute prophet to foretell that meat and milk products will vanish at an ever-increasing rate from the dinner tables and the supper tables of a great many American families. The rise in potato prices, which is definitely not a seasonal one, from \$1.76 in January to their present status of \$3.25 a 100 pounds, may be a grim warning of what is to come.

However that may be, I am certain that the wheat and dairy farmers of the Nation whose price support floor has been jerked out from under them and who face a sharp decline in income by this veto action will be mighty poor buyers of automobiles, farm equipment, or home appliances for too long a time. We have an interlocked economy, and when one segment is hurt, the cash registers of all other areas note the difference and start to sing a sorry muted tune.

Mr. President, I deplore this veto by the President as bad policy based upon bad advice. The responsibility for it is crystal clear. The farmers of my State are literate, and their analysis of this act of the Executive will result, in my judgment, in a clear rejection of the administration policy at the November polls.

THE TEXTILE INDUSTRY NEEDS HELP

Mr. JOHNSTON of South Carolina. Mr. President, it is self-evident that America, as the leader of the free world alliance, must remain strong. We must be strong spiritually, morally, militarily, and economically.

We need a thriving, prosperous Nation, with production in full gear to support the military system essential to our survival in freedom in this missile age.

Mr. President, it behooves us, therefore, to look to our economic situation so that we will have a flourishing economy to develop our fullest strength and widen our influence in the family of nations.

I make these few preliminary observations so that we may have clearly established the proposition that those who labor for the prosperity of certain fundamental American industries are at the same time serving the national interest.

Only too often is there loose criticism that those who seek the protection of vital American industries are shortsighted, are unaware of international problems, are working against our Nation's best interests.

As a matter of fact, quite the reverse is true: We serve the cause of freedom and global security best by husbanding our prime industries and by keeping our people working so we can assist the grand alliance which works to thwart aggressors.

One of the greatest boons the Kremlin can have is a depressed, run-down America; the greatest asset the free world can possess is a dynamic America, going full blast with its productive power. We have the responsibility of being vigilant of our essential industries, the economic springs which feed our business and industrial systems.

Mr. President, at this time I refer to the textile industry which actually is of the roots of our economic system. It is in sound self-interest that we be solicitous of this great industry. Historically, it is an integral part of the American scene.

Mr. President, textiles are literally woven into the fabric of American history. Every schoolchild knows the part which the spinning wheel and the loom played in the life of our Republic from its earliest days down to the present. We should regard the textile industry as an old friend, tried and true.

This old friend, the textile, is in trouble, and it needs our attention and help. It is in trouble, for one reason, because of the flood of textiles from Japan, a flood which has swept away the equitable safeguards of quotas which were voluntarily assumed by Japan.

Mr. President, let me say at once that I am well aware that the Japanese people have their own problems; that the Japanese nation is struggling to be successful economically; that Japan is our ally in the vitally important Pacific.

I know that it would not be wise or sound business for us to pursue policies which would choke off Japanese industry, or stifle that country's seriously needed trade. All of these matters have had consideration by our Government, at top levels; these matters have been well discussed by the respective parties. The problem of textile quotas has been approached with understanding and in a spirit of mutuality. It was in a spirit of equity, fairness, and mutuality that the textile quotas for Japan were established. And it should be a matter of equal concern that the agreement be kept. Unfortunately the evidence is impressive that the quotas are being violated.

Mr. President, the Eisenhower administration should use its powers to correct

this situation, for healthy international trade requires a proper balance. It would be well for us to keep uppermost in our minds that when the late Cordell Hull sponsored the Reciprocal Trade Act in 1934, his basic aim was to better America's export position. Unfortunately, over the years, the fine purpose of this great American has been lost through maladministration.

Mr. President, it is of vital interest to our Nation that the textile industry be restored to sound health, for apart from what it contributes to our national economic well-being, it is an important partner to our Armed Forces.

It is of real significance that during World War II, the United States Armed Forces required more than 10,000 different types of textile items. We cannot afford to let such an industry lag in the doldrums or languish unattended. Rather, it is in the national interest to repair the damage at the earliest possible moment.

Mr. President, here are some pertinent textile facts that warrant attention and consideration:

Since 1950, employment in textiles in the United States has declined by 344,000 jobs. To this figure, of course, can be added the figure for employment loss in affiliated industries and in service industries. For instance, the cotton industry alone purchased \$2 billion worth of materials annually from the chemical industry.

The United States Government itself last year spent \$8 million in the purchase of foreign-manufactured textiles. The irony of all this is that United States tax dollars were used to finance foreign competition against American textile firms.

Japan's cotton industry is able to buy American cotton 20 percent cheaper than the American textile manufacturer can buy it; in addition, the Japanese textile manufacturer gets the benefits of machinery which our Government helps pay for, and he has the advantage of labor that works for one-tenth of the wages paid in the textile industry in the United States. The products of this United States-subsidized Japanese textile industry are then permitted to flood the American market, further depressing the domestic textile industry. This costly, inequitable competition goes on unchecked and unabated, while our national jobless toll soars toward the 6 million mark.

Mr. President, matters have not been helped by the action taken by our Government on September 10, 1955, when the tariff rates on many cotton products were reduced, in some instances up to 50 percent.

Whether in New England or along the middle Atlantic seaboard or in the South, the textile picture is the same. The industry is depressed and struggling for survival. Layoffs and liquidation continue to be the order of the day.

Mr. President, the condition of the American textile industry warrants a thoroughgoing reappraisal. Thought ought to be given to expanding the Tariff Commission and giving it independent status, so it can be responsible to the

will of Congress. Certainly Congress has not willed the present distress of textiles, nor can Congress idly abide this distressed condition.

Mr. President, the best interests of our country require official changes in trade policy and administration to revive and strengthen the United States textile industry.

Mr. President, I hope the administration will awake from its slumber and will do something to relieve the textile industry of the situation which faces it at the present time.

TULELAKE AREA—MINIMUM WHEAT ALLOTMENT

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1442, Senate bill 3120, to exempt the production of durum wheat in the Tulelake area of California.

Mr. COOPER. Mr. President, I have no objection.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion by the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3120) to exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(1) Notwithstanding any other provisions of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the national, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage

reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support.

The amendment was agreed to.

Mr. YOUNG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 20, after the period, it is proposed to insert:

The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

Mr. YOUNG. Mr. President, the bill affects only a small area in California, the so-called Tulalake area. The bill would allow that area approximately 8,000 allotted wheat acres which could be planted to durum wheat. It is the only area there where this type of wheat could possibly be grown. This wheat is subject to rust, with the result that the production this year is the least in recorded history. So the allowance of these 8,000 acres will not hurt anyone.

The amendment I submit would require that the increase in acreage be limited to just class II, durum wheat. That was the understanding with the committee. The bill as reported to the Senate was a version of a bill suggested by the Department of Agriculture.

If these additional acres are to be made available, I believe this amendment should be included in the bill.

The amendment which I have proposed meets with the approval of the sponsors of the bill—the junior Senator from California [Mr. KUCHEL], and other Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 3120

As introduced, this bill would have exempted durum wheat produced in the Tulalake area of the Klamath project from wheat marketing quotas, and made such wheat ineligible for price support. The Department of Agriculture recommended against complete exemption; but was sympathetic to the special problem of the farmers in the Tulalake area, and prepared an amendment to the bill which has been adopted by the committee.

The committee amendment would establish a minimum wheat acreage allotment in the irrigable portion of the area for 1958 and 1959 of 8,000 acres. Farms receiving additional allotments would not be eligible for wheat acreage reserve participation or price support.

The producers affected by the bill are practically all veterans. They have very few crops which they can produce, and durum wheat is one of these few. It is especially good for rotation purposes in the area. In

1956 and 1957 these producers planted durum wheat under section 334 (e) of the Agricultural Adjustment Act of 1938, which was designed to obtain increased production of durum wheat during those years. However, the acreage so planted was not counted as history toward future allotments. These farmers, therefore, have practically no acreage history, and this year their wheat acreage allotment has dropped to about 546 acres. By providing a minimum acreage allotment of 8,000 acres for 1958 and 1959 the committee amendment will permit these producers to build up acreage history toward fair and reasonable wheat acreage allotments in future years.

The bill, as introduced, was limited to durum wheat. The committee amendment was not specifically limited, such limitation having been considered unnecessary in view of the fact that durum wheat is the only wheat grown in the area. However, it was the committee's intention that the bill would be applicable only to durum wheat, and the bill, consequently, should so specify. I am therefore offering an amendment to make this technical correction.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 3120) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows;

"(1) Notwithstanding any other provision of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop-rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

The title was amended, so as to read: "A bill to amend the acreage allotment

and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulalake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes."

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. COOPER. Mr. President, it is reported that the Secretary of Defense has submitted to the President his plan to reorganize the Department of Defense, and that the President will soon make to the Congress his recommendations on reorganization.

After Soviet Russia sent up its first satellite, there was a great outcry in this country that the functions and operations of the Department of Defense should be reexamined, and the Department reorganized, to assure its maximum effectiveness, for the very security of this country.

The President, in his state of the Union message on January 9, 1958, emphasized the compelling necessity of a more effective Department of Defense, and his intention to submit recommendations for its reorganization. I remember that his statement, and I am sure we all agree, met universal approval in the Congress and throughout the country.

Now, however, when the President is preparing to present recommendations, opposition to any extensive reorganization appears. Bills have been introduced in the House and the Senate, which, if enacted, would at least minimize, if not negate, the possibility of an effective reorganization of the Department of Defense.

On February 3, I introduced in the Senate a bill which followed the recommendations expressed by the Hoover Commission in its report of February 28, 1949, by former Secretary of Defense Robert A. Lovett in a letter to President Truman on November 18, 1952, and the implied recommendations of the Rockefeller Commission reports of 1953 and 1958. All of them dealt with the civilian reorganization of the Department of Defense.

The Hoover Commission described the three departments as a "federation with autonomous powers, with the Secretary of Defense acting as a coordinator." On August 2 of last year, the Honorable John A. McCone, former Secretary of the Air, in his speech to the Air Force Association air power symposium, said that the 3 services were not operating under a single administrative roof, but rather as a rigid structure of federation.

The chief recommendation of the Hoover Commission was that actual control and authority be given to the Secretary of Defense to administer the entire Department of Defense in place of what they termed his present role of coordinating the three separate administrations of the Departments of the Army, Navy, and Air Force.

The bill which I introduced would have accomplished, or attempted to accomplish this objective by:

First. Transferring to the Secretary of Defense the powers and functions of the Secretaries of the Army, Navy, and Air Force. This is the exact recommendation of the Hoover Commission, and was also recommended by former Secretary Lovett.

Second. It would establish Under Secretaries of Defense for Army, Navy, and Air Force, in place of the present Secretaries. This, too, was recommended by the Hoover Commission. I doubt very much that in the present temper of the Congress this last recommendation is possible, but I suggested it in order to dramatize the necessity and requirement that the Secretaries of these forces shall administer their Departments in the scope of the national defense and security, rather than from the objectives of their separate Departments.

The bill which I introduced did not deal with the reorganization of the Joint Chiefs of Staff. It did not abolish the separate military Departments, or the military services, or interfere in the command functions of the military services. It did not interfere, as it could not, with the constitutional power of the Congress to make appropriations for the services. It did not deal with the problem of roles and missions, which, I assume, is a matter for the President to decide, as Commander in Chief, subject to the broad outlines prescribed by the Congress in the National Security Act.

I have read statements which proposed that Congress prescribe those roles and missions. The RECORD shows that when the National Security Act was being developed, Mr. Truman sent to Mr. Lovett and to the departments then in the Department of Defense his recommendations as to roles and missions, and they were enacted in the National Security Act. They are quite broad. Someone has described them as the division of the elements as laid out in the Bible; namely, that the Army should have the land, the Air Force the air, and the Navy the water. So there is nothing very specific laid out in the National Security Act regarding roles and missions. It is my judgment that the President, as Commander in Chief, would have the power, within those limits, to prescribe what specific roles and missions should be undertaken by the respective services.

I am not here to advocate the strengthening of the bill I introduced. It was not an original bill, because it was simply devoted to carrying out the recommendations made by some great Americans, who for years had studied the problem of the reorganization of the Department of Defense.

Its purpose was to provide a means, as recommended by the Hoover Commission and Mr. Lovett, and many others, to give the Secretary of Defense the authority to actually control and operate the three Departments of Defense, in the broad interests of the country and its national security.

For, if the reports I have cited, made by distinguished Americans, are correct, the Secretary of Defense's authority today is limited to coordinating the administration of the three separate Depart-

ments, which by their very organization must consider first their separate interests.

In making this statement, I cast no aspersions on the patriotism or ability of the present, or any past or future, Secretaries of the three Departments. However, it seems to me perfectly obvious, because the present National Security Act requires that they administer separately their Departments, and because their leadership and effective work in their positions depend on the support of members of their respective services, they cannot help becoming, in some degrees more or less advocates of their services. Further, they are civilians and not military men. They are advised by an experienced and able Chief of Staff of their service, whose interest, because of his training and loyalty, must be in his own service. Again, the service officers and enlisted men must look to their own service and their Secretary for their promotion and well-being. All of these factors, in my view, tend to strengthen the autonomy of the separate services, and decrease, naturally, the authority of the Secretary of Defense.

I do not think that what I have said is mere hypothesis. I give several examples of the effect of the division of authority, which adversely affects the economical operation of the Department of Defense and the security of this country.

First. Budgets are prepared in the three services separately. It is only through review by the Secretary's office that duplications can be stricken and larger economies effected.

Second. Much has been said about joint procurement to save money appropriated by the Congress. Yet after years of effort, I am informed that the initiative toward joint procurement comes chiefly from the Secretary's office, and the Congress, against the continued effort of the services to maintain their own procurement.

Third. It is evident that economies could be effected if joint use of hospitals, warehouses, and store supplies could be assured. Some progress has been made. But, again, because of the principle of separate administration, progress in this direction comes chiefly from the initiative of the Secretary of Defense.

Fourth. Most important today is the problem of research and development for national security. Each of the departments maintains its division of research and development. I do not argue now the question whether competition of the services in this field is good or bad. What I do say is that the progress or failure of the three services in research and development should be available immediately to the other services, with all supporting information. I am informed that the exchange of information has not been readily available between the departments. I think we all know this to be true. If it is true, and I believe it to be true, it has affected and will continue to affect the security of our country.

My conclusion is—and it is a conclusion based upon the Hoover report, upon the statement made by Mr. Lovett, and

upon many other things—that the Secretary of Defense should have authority to administer the three Services. He should have authority to initiate better budget preparation, joint procurement, joint use of facilities and stores, and most important, for a full exchange of information, and full cooperation in research and development.

Further, in my view, the preeminence of the civilian authority over the military authority will be assured by giving the Secretary of Defense authority over the administration of the three Services. I give my reasons for this statement. There is no question that the military leaders in the Department of Defense occupy a very strong position. This is indicated, if by nothing else, by the debate over reorganizing the Joint Chiefs of Staff. Their strong position is a normal consequence of the fact that they understand military operations while civilians do not understand easily military operations. And now, with modern weapons, the tendency toward leaning on the trained military man must increase. If there is to be an effective civilian check and review of the recommendations of the military leaders, it seems to me that the Secretary of Defense must have the full authority to question, to check, and to review policy decisions and administrative operations from the time of their initiation, in the various Services. Otherwise, he will be required to wait until these decisions have been hardened at the Department level, and come before him with the support of the Chief of Staff of the Service, the Secretary of the Service, and perhaps the Joint Chiefs of Staff. We can expect, because of their training, and I may say their loyalty, that military leaders of a Service will advocate the views of the Service. But the primary responsibilities of the civilian Secretaries of the Army, Navy, and the Air Force ought to be to the Department of Defense as a whole rather than to their separate departments.

We have spent billions of dollars on defense since World War II, and will be called upon to spend increasingly larger sums. The security of our Nation may depend upon research and development in the Department of Defense, in coordination with our civilian scientists.

I do not believe the people of our country will submit longer to inefficiency and waste in the Department of Defense. More important, the country will not risk its security because of divisions and hardened positions in the Department of Defense.

As a civilian, I am not widely familiar with the detailed problems of the Department of Defense. I spent nearly 4 years in the armed services in time of war, at home and abroad. I am proud of my service in the Armed Forces. But I learned, as every member of the armed services has learned, of the waste and duplication in the armed services. This is often necessary in war because no risk can be taken that one does not have enough, and perhaps more than is needed, but it is not necessary in peace, or even at this time. As a member of the Armed Services Committee for 2 years in 1953 and 1954, I learned how

85TH CONGRESS
2D SESSION

S. 3120

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1958

Referred to the Committee on Agriculture

AN ACT

To amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 a new subsection as follows:

6 “(i) Notwithstanding any other provision of this Act
7 the Secretary shall increase the acreage allotments for the
8 1958 and 1959 crops of wheat for farms in the irrigable

1 portion of the area known as the Tululake division of the
2 Klamath project of California located in Modoc and Siskiyou
3 Counties, California, as defined by the United States Depart-
4 ment of Interior, Bureau of Reclamation, and hereinafter
5 referred to as the area. The increase for the area for each
6 such crop shall be determined by adding to the total allot-
7 ments established for farms in the area for the particular
8 crop without regard to this subsection, hereinafter referred to
9 as the original allotments, an acreage sufficient to make avail-
10 able for each such crop a total allotment of eight thousand
11 acres for the area. The additional allotments made available
12 by this subsection shall be in addition to the National, State
13 and county allotments otherwise established under this Act,
14 but the acreage planted to wheat pursuant to such increased
15 allotments shall be taken into account in establishing future
16 State, county, and farm acreage allotments. The Secretary
17 shall apportion the additional allotment acreage made avail-
18 able under this subsection between Modoc and Siskiyou
19 Counties on the basis of the relative needs for additional allot-
20 ments for the portion of the area in each county. The Secre-
21 tary shall also allot such additional acreage to individual
22 farms in the area for which an application for an increased
23 acreage is made on the basis of tillable acres, crop rotation
24 practices, type of soil and topography, and taking into account
25 the original allotment for the farm, if any. No producer shall

1 be eligible to participate in the wheat acreage reserve program
2 with respect to any farm for any year for which such farm
3 receives an additional allotment under this subsection; and no
4 wheat produced on such farm in such year shall be eligible for
5 price support. The increase in the wheat acreage allotment
6 for any farm under this subsection shall be conditioned upon
7 the production of durum wheat (class II) on such increased
8 acreage.

Passed the Senate March 31, 1958.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tule lake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes.

APRIL 1, 1958

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 3, 1958
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85th-2d, No. 54

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HIGHLIGHTS: House received conference report on road authorization bill. House subcommittee ordered reported bill to increase durum wheat acreage allotments in Tule Lake area, Calif. Sen. Murray criticized operation of the rural development program. Sen. Flanders and Rep. Hays, Ark., introduced and Sen. Flanders discussed bills to establish Commission on Country Life.

HOUSE

1. ROADS. Received the conference report on H. R. 9821, the road authorization bill (H. Rept. 1591). pp. 5483-88, 5522

The revised bill includes provisions as follows: Authorizes an additional \$5 million for forest highway systems in the fiscal year 1959, and \$33 million for each of the fiscal years 1960 and 1961; authorizes an additional \$5 million for forest development roads and trails for the fiscal year 1959, and \$30 million for each of the fiscal years 1960 and 1961; provides that advisory public hearings on any proposed construction or reconstruction of timber-access roads shall be permissive rather than compulsory; provides that the apportionment of funds for forest highways for fiscal 1959, 1960, and 1961 shall be made on the same basis that it was in the fiscal year 1958; provides that a State may transfer not to exceed the lesser of \$500,000 or 5 percent of the amount apportioned to it under the first section of the bill (relating to apportionments for the ABC system) to augment its apportionment for forest highways and when transferred such sums may be expended as any other funds authorized for forest highway purposes; and requires a study of needed improvements on the forest highway

system and a report thereon to Congress on or before Jan. 1, 1960, with a proviso that the Secretary of Agriculture shall be a member of the group to cooperate with the Secretary of Commerce in making the study, recommendations, and report.

2. DURUM WHEAT. The Wheat Subcommittee of the Agriculture Committee ordered reported with amendment H. R. 11092, to increase the acreage allotments for durum wheat grown in the Tule Lake area, Calif. p. D293
3. INFORMATION. Received from the Government Operations Committee a report of additional views on H. R. 2767, with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records (H. Rept. 1461). p. 5522
4. COTTON. Rep. Flynt stated that if the consumption of cotton in 1958 is below eight million bales, as estimated, "our cotton farmers and our textile mills will be seriously hurt," and inserted an article, "Recession in Textiles." pp. 5509-10
5. FOREIGN AFFAIRS. Rep. Thompson, N. J., urged support of the U. N. Educational, Scientific, and Cultural Organization as a means of promoting greater understanding among the nations. pp. 5515-18
6. LEGISLATIVE PROGRAM. Rep. Albert announced that the conference report on the road authorization bill would be considered Thurs., Apr. 3. p. 5488

SENATE

7. FLOOD CONTROL. Agreed, 52 to 11, to the conference report on S. 497, the rivers and harbors and flood control bill (pp. 5412-13, 5432, 5451-77). Sens. discussed the relation of certain provisions in the bill as reported to State water rights laws (pp. 5451-8, 5468-9, 5472-6), the standards by which such projects were approved for inclusion (pp. 5459-62, 5469-72), the distribution of electric power from such projects, including the public preference clause and a State's claim to power produced within its boundaries (pp. 5463-8), and the cost-benefit ratio (pp. 5468-9).
Received from the Chief of Engineers an interim report on the Blackstone River Basin, R. I. (S. Doc. 87). p. 5479
8. RURAL DEVELOPMENT. Sen. Murray criticized the Department's rural development program for fostering off-farm employment. pp. 5411-12
9. DAIRY PRICE SUPPORTS. Sen. Proxmire criticized the Secretary's statement on price levels and production, and inserted the analysis and suggestions of Dr. W. W. Cochrane, "Making A Dairy Program Work." pp. 5419-21
10. RETIREMENT. Senate conferees were appointed on S. 72, to increase the annuities of certain civil service annuitants. House conferees have not been appointed. pp. 5444-5
11. PUBLIC WORKS. Sen. Javits submitted an amendment to S. 3497, the community facilities loan bill to include civil defense facilities. p. 5396
Sen. Kefauver expressed regret at the postponement of S. 3497 and inserted letters from Tenn. local officials favoring passage of the bill. pp. 5406-7

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 16, 1958
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HIGHLIGHTS: See page 5.

HOUSE

1. DURUM WHEAT. The Agriculture Committee ordered reported H. R. 11092, to provide increased durum wheat acreage allotments for certain counties in the Tulalake area, Calif. p. D306
2. LIVESTOCK LOANS. The Agriculture Committee ordered reported H. R. 11424, to extend the authority for extension of special livestock loans. p. D306
3. SOIL BANK. The Agriculture Committee ordered reported H. R. 10114, to provide a more equitable treatment for producers participating in the soil bank program for previous actions taken on the basis of incorrect information furnished by this Department. p. D306
4. PROPERTY. A subcommittee of the Government Operations Committee ordered reported with amendment S. 2224, to amend the procedures on advertised and negotiated disposals of surplus property, and S. 2533, to authorize GSA to lease space for Federal agencies. p. D307
5. GRAIN PRICES. Rep. Hill inserted a recent USDA Daily Summary release commenting on trends in grain prices. p. 5777

6. ECONOMIC SITUATION. Several Representatives discussed the current economic situation including comments on farm conditions, and debated the matter of who is responsible for some declines in the economy. pp. 5782-83, 5785-88, 5788-90, 5783-85

SENATE

7. LIVESTOCK; SEEDS; WEEDS; RESEARCH. The Agricultural Research and General Legislation Subcommittee ordered reported to the Agriculture and Forestry Committee the following bills:
- S. 1497, to require the humane slaughter of livestock (as amended by substituting the language of H. R. 8308);
 - S. 1939, to amend the Federal Seed Act;
 - S. 3076, authorizing the transportation in the U. S. of live foot-and-mouth disease virus for research purposes;
 - and a clean bill (in place of S. 672 and S. 2490) to control noxious plants on Federal lands. p. D305
8. MEATPACKING. Sen. Watkins discussed the proposed amendments to the Packers and Stockyards Act, and concluded that the F.T.C. was supporting the Young-Carroll amendment to S. 1356, which would grant the Secretary jurisdiction over all livestock transactions in interstate commerce. He inserted the F.T.C. report opposing H. R. 9020 and favoring S. 1356 (with section 2 of H. R. 9020) instead. pp. 5760-1
9. FLOOD CONTROL. Received the President's veto message on S. 497, the rivers and harbors and flood control bill. Sens. Humphrey, Kefauver, Yarborough, and Morse criticized the veto. pp. 5721-3, 5762-3.
10. PUBLIC WORKS. Continued debate on S. 3497, the community facilities bill authorizing the Housing and Home Finance Agency to lend local governmental units up to \$1 billion for construction of public works. Adopted the following amendments:
- By Sen. Javits, to make civil defense facilities eligible for loans (p. 5727);
 - By Sen. Case, 54 to 25, to make the Davis-Bacon Act, controlling the maximum hours and minimum wages, apply to this bill (pp. 5749-60);
- Rejected the following amendment:
- By Sen. Fulbright, 40 to 41, to base the interest cost of loans on the average cost of procuring Federal credit (pp. 5723-60, 5727-49).
11. WHEAT. Sen. Thye inserted a statement, his letter to the Secretary, and Mr. McLain's reply, defending the value of the wheat subsidy-in-kind program under which exporters receive the export subsidy in the form of grain. pp. 5682-3
12. FORESTRY. Sen. Humphrey commented on the importance of reforestation and inserted editorials praising the Forest Service's "Timber Resources for America's Future." pp. 5704-5
- Sen. Humphrey inserted a letter and a resolution urging the Forest Service to begin work on the Gunflint Trail forest highway project. pp. 5668-9
 - Sen. Kefauver thanked the paper and pulp publishers for their developments in using Southern softwoods. p. 5718

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued April 17, 1958

For actions of April 16, 1958

85th-2d, No. 58

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: See page 6.

HOUSE

- ~~1. DURUM WHEAT; SOIL BANK, LIVESTOCK LOANS.~~ The Agriculture Committee reported H. R. 11092, with amendment, to provide increased durum wheat acreage allotments for certain counties in the Tulalake area, Calif. (H. Rept. 1607); ~~H. R. 11424, without amendment, to extend the authority for extension of special livestock loans (H. Rept. 1609); and H. R. 10114, without amendment, to provide a more equitable treatment for producers participating in the soil bank program for previous actions taken on the basis of incorrect information furnished by this Department (H. Rept. 1606). p. 5914.~~
- ~~2. INFORMATION.~~ Passed without amendment H. R. 2767, to provide that 5 U.S.C. 22 (which provides that "The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it.") "does not authorize withholding information from the public or limiting the availability of records to the public."pp. 5862-91

Rejected the following amendments:

- By Rep. Hoffman to provide that the bill should not be construed as requiring the giving of information or the making of records available. pp. 5883-84
- By Rep. Meader to provide that no regulation would be prescribed under the bill authorizing or directing the withholding of information from the public or limiting the availability of records to the public. pp. 5884-85
- By Rep. Hyde, 47 to 79, to provide that the bill would not authorize withholding information from the public "in a manner not inconsistent with law." pp. 5885-88
- By Rep. Griffin, 63 to 87, to provide that the bill would not be construed as repealing or amending any other statute which may authorize the withholding, restricting, or limiting the availability of information or records to the public. pp. 5888-89
- By Rep. Hoffman to provide that the bill would not limit any constitutional privilege. p. 5889
- By Rep. Hoffman to provide that the bill would not be construed as requiring the giving of information which would endanger the national security impair Government efficiency, result in unfairness to any person, or disclose confidential sources of information to agencies or officials. p. 5889

Also rejected a motion by Rep. Hoffman to recommit the bill. p. 5890

3. SURPLUS PROPERTY. The Government Operations Committee ordered reported with amendment S. 2224, to amend the procedures on advertised and negotiated disposals of surplus property. p. D312
4. RECLAMATION. A subcommittee of the Interior and Insular Affairs Committee ordered reported with amendment H. R. 594, to authorize the construction and maintenance of the Fryingpan-Arkansas project, Colo. p. D312
5. FLOOD CONTROL. Reps. Gross, Morano, and McGregor defended, and Rep. Edmondson criticized, the President's veto of S. 497, the rivers and harbors and flood control bill. pp. 5861-62
6. FOREIGN AFFAIRS. Rep. Boggs commended the work of the Organization for European Economic Cooperation in developing the economy of Europe, and inserted a summary of its achievements during the first 10 years. pp. 5891-93
7. ECONOMIC SITUATION. Rep. Dingell discussed the current economic situation, and stated that net farm income has "dropped steadily since the advent of the present administration" and that the "middlemen's profits have grown astonishingly." pp. 5893-97
8. SMALL BUSINESS. Rep. Patman charged that small business was suffering from the "credit squeeze," and inserted tables on the change in amount of business loans of member banks to various types of businesses. pp. 5898-99
9. STATEHOOD. Rep. Saylor urged enactment of legislation to provide statehood for Alaska. pp. 5908-09
10. APPROPRIATIONS. Received from the Acting Secretary of Agriculture a report "prior to restoration of balances to the appropriation 'Salaries and expenses, Farmer Cooperative Service, 1957,' pursuant to the act of July 25, 1956 (31 U. S. C. 701-708) and the reporting requirements set forth in Bureau of the Budget Circular No. A-23, dated June 21, 1957"; to Government Operations Committee. p. 5914

TULELAKE AREA—MINIMUM WHEAT ALLOTMENT

APRIL 16, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 11092]

The Committee on Agriculture, to whom was referred the bill (H. R. 11092) to exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

“(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No

producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage."

Amend the title to read:

A bill to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tululake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes.

STATEMENT

Durum wheat is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products. It will grow properly in only a few areas in the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and California. The California area is very small and is limited to the Tululake irrigation project in the central northern part of the State. It was not discovered until a few years ago that durum wheat could be grown in the Tululake area and there were no substantial plantings in that area until 1956.

About 6 years ago a new rust disease attacked durum wheat and so seriously reduced production that emergency measures were necessary to provide an adequate supply. To accomplish this, special exceptions were made in the wheat quota laws for the crops of 1956 and 1957 to permit farmers in the durum wheat areas to plant acreage of durum in excess of their regular allotments. Farmers in the Tululake area, along with those in the other durum areas, took advantage of this special legislation and planted a substantial acreage of durum wheat in 1956 and 1957.

Unfortunately for the farmers in the Tululake area, the law providing for the additional acreage of durum wheat in 1956 and 1957 also provided that such additional acreage should not be counted for "history" purposes in establishing future acreage allotments.

The rust situation has now been brought under control, there is no emergency legislation for additional durum wheat acreage in 1958, so that the farmers in the Tululake area must depend upon regular wheat acreage allotments for their durum acreage in 1958 and (because almost their entire history of durum production does not count for future allotment purposes) they have little "history" on which the 1958 allotments can be based.

This bill would rectify this particular situation and, as amended by the committee, would provide a special wheat allotment of 8,000 acres for the Tululake irrigation area for the crop years 1958 and 1959. For these 2 years, this special allotment would be in addition to the national acreage allotment for wheat. After 1959, since farmers in that area will by that time have established a historical base for allotments, the Tululake wheat allotment will become a regular part of the national wheat allotment.

COMMITTEE AMENDMENT

As introduced, H. R. 11092 would have provided an unlimited exemption from wheat marketing quotas for the production of durum wheat in the Tululake area. In its report on this bill, the Department

of Agriculture stated that it was opposed to such an unlimited exemption but would not object to legislation which would provide the area with reasonable wheat allotments for 1958 and subsequent years. The amendment made by the committee conforms with the recommendations of the Department of Agriculture and is acceptable to the Department.

In addition to placing a specific limitation of 8,000 acres on this special wheat allotment, the amendment provides that the additional acreage may be used only for the production of durum wheat, that the wheat produced on such acreage shall not be eligible for price support, and that no producer receiving any such acreage shall be eligible to participate in the wheat acreage reserve program.

DEPARTMENTAL APPROVAL

Following is the letter from the Department of Agriculture reporting adversely on H. R. 11092 in the form in which it was introduced but stating in paragraphs 5 and 6 that the Department would not be opposed to the bill if amended in the manner in which it has been amended by committee.

MARCH 20, 1958.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 7, 1958, for a report on H. R. 11092, a bill to exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agriculture Adjustment Act of 1938, as amended.

This Department does not recommend the enactment of H. R. 11092.

This bill would amend section 334 of the Agricultural Adjustment Act of 1938, as amended, so as (1) to exempt from the wheat acreage allotment and marketing quota provisions of the act the production of durum wheat (class II) in the portions of Modoc and Siskiyou Counties, Calif., that comprise the area known as the Tulalake division of the Klamath project of California, and (2) to make durum wheat (class II) produced in such area ineligible for price support under section 101 of the Agricultural Act of 1949, as amended.

Our principal objection to this bill stems from the fact that it would establish a precedent which could be used by other groups of wheat producers or producers of other basic agricultural commodities as a basis for similar requests for exemption from acreage allotments and marketing quotas. Such requests, if granted, could work to the disadvantage of producers in other areas and would be inconsistent with the real purpose and objectives of the production adjustment programs. It is obvious that this bill was designed to permit unlimited production of durum wheat in the Tulalake area of California for the purpose of supplying the entire west coast with sufficient macaroni products made from locally produced hard amber durum wheat to replace the supply of such products which is now being shipped to the coast from other areas of production.

Although we are opposed to this bill, we are sympathetic to the Tulalake basin farmers' problem and appreciate the fact that existing legislation will not permit the establishment of 1958 wheat acreage

allotments for farms in the area which will reflect their operations during recent years. Therefore, the Department would not object to legislative action which would provide the area with a reasonable wheat acreage allotment for 1958 and subsequent years to be apportioned by the Secretary, through the local committee, among the farms within the area on the basis of tillable acreage, crop rotation practices, type of soil, and topography.

Whatever the amount of the allotment acreage that may be legislatively provided for the area, we would recommend that such acreage be in addition to the national wheat acreage allotment for 1958 but as part of the national allotment for 1959 and subsequent years.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and

other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(c) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat

so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

* * * * * * *

(i) *Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.*



H. R. 11092

[Report No. 1607]

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1958

Mr. ENGLE introduced the following bill; which was referred to the Committee on Agriculture

APRIL 16, 1958

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1958 and subsequent crops, by adding at the end thereof
6 a new subsection as follows:

7 “(h) Notwithstanding any other provision of this Act
8 the Secretary shall exempt from the wheat acreage allot-
9 ment and wheat marketing quota provisions of this Act the

1 production of durum wheat (class II) in the portions of
2 Modoc and Siskiyou Counties, California, that comprise the
3 area known as the Tululake division of the Klamath project
4 of California, as defined by the United States Department
5 of the Interior, Bureau of Reclamation. Notwithstanding
6 any other provision of law, durum wheat (class II) pro-
7 duced in such area shall not be eligible for price support as
8 provided under section 101 of the Agricultural Act of 1949,
9 as amended.”

10 *That section 334 of the Agricultural Adjustment Act of*
11 *1938, as amended, is amended by adding at the end thereof*
12 *a new subsection as follows:*

13 “(i) Notwithstanding any other provision of this Act
14 the Secretary shall increase the acreage allotments for the
15 1958 and 1959 crops of wheat for farms in the irrigable
16 portion of the area known as the Tululake division of the
17 Klamath project of California located in Modoc and Siskiyou
18 Counties, California, as defined by the United States Depart-
19 ment of Interior, Bureau of Reclamation, and hereinafter
20 referred to as the area. The increase for the area for each
21 such crop shall be determined by adding to the total allot-
22 ments established for farms in the area for the particular
23 crop without regard to this subsection, hereinafter referred to

1 as the original allotments, an acreage sufficient to make avail-
2 able for each such crop a total allotment of eight thousand
3 acres for the area. The additional allotments made available
4 by this subsection shall be in addition to the National, State
5 and county allotments otherwise established under this Act,
6 but the acreage planted to wheat pursuant to such increased
7 allotments shall be taken into account in establishing future
8 State, county, and farm acreage allotments. The Secretary
9 shall apportion the additional allotment acreage made avail-
10 able under this subsection between Modoc and Siskiyou
11 Counties on the basis of the relative needs for additional allot-
12 ments for the portion of the area in each county. The Secre-
13 tary shall also allot such additional acreage to individual
14 farms in the area for which an application for an increased
15 acreage is made on the basis of tillable acres, crop rotation
16 practices, type of soil and topography, and taking into account
17 the original allotment for the farm, if any. No producer shall
18 be eligible to participate in the wheat acreage reserve program
19 with respect to any farm for any year for which such farm
20 receives an additional allotment under this subsection; and
21 no wheat produced on such farm in such year shall be
22 eligible for price support. The increase in the wheat acreage
23 allotment for any farm under this subsection shall be condi-

- 1 *tioned upon the production of durum wheat (class II) on*
- 2 *such increased acreage."*

Amend the title so as to read: "A bill to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulalake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes."

86TH CONGRESS
2D SESSION

H. R. 11092

[Report No. 1607]

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By **Mr. ENGLE**

MARCH 3, 1958

Referred to the Committee on Agriculture

APRIL 16, 1958

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

April 27, 1958
House

11. FORESTRY. Sens. Thye and Humphrey inserted a resolution of the St. Louis Co. Development Assoc., Duluth, Minn., urging the appropriation of additional funds to the Forest Service to be used for the replanting of trees in the denuded areas of the Superior National Forest. pp. 6021-22, 6023
Sen. Neuberger received unanimous consent to have postponed indefinitely S. 3619, to establish a National Wilderness Preservation System. He stated that the bill " was in the nature of a report and was to have been referred to the Committee on Interior and Insular Affairs, but was mistakenly given a bill number by the clerk." p. 6039
Sen. Douglas spoke in favor of the enactment of S. 1176, to establish a National Wilderness Preservation System on the public lands, and inserted two articles favoring such legislation. pp. 6064-66
12. ECONOMIC SITUATION. Sen. Proxmire inserted Sen. Johnson's speech on the present state of our economy, the Rockefeller Brothers Fund report on the American economy (including a proposal dealing with the "hard-core" transfer problem of 1.2 million farm units), and Kiplinger's prediction of an economic boom ahead. pp. 6048-55
Sen. Douglas inserted excerpts from the anti-recession program of the Committee for Economic Development. pp. 6061-3
13. RECLAMATION. Sen. Langer inserted a resolution by the Garrison Diversion Conservancy District urging an increase in appropriations for Missouri River Basin studies in fiscal year 1959. p. 6070
Sen. Langer inserted a Minot, N. D., City Council resolution urging the provision of funds to start construction of the Garrison diversion unit in fiscal year 1960. pp. 6070-1
14. FLOOD CONTROL. Sen. Kuchel stated there was a need for new flood control authorizations, and pointed to the results to Southern Calif. of the President's veto of S. 497. pp. 6078-80
15. YOUNG FARMERS. Sen. Goldwater inserted outline biographies of four outstanding young farmers picked by the Junior Chamber of Commerce from nominees from every State, and the results of a poll of 38 of them, showing a 30 to 8 vote opposing higher price supports and a 37 to 1 vote in favor of less Government control of agriculture. pp. 6086-8
16. HOUSING. Sen. Clark criticized the Administration and asserted that \$1,356,400,000 of funds authorized by the Congress for housing purposes is at present either impounded or unallocated." pp. 6103-3
17. FARM COOPERATIVES. Sen. Watkins inserted a resolution by the National Council on Farmer Cooperatives urging Congress to assist farmer cooperatives to help farmers achieve a "free and prosperous agriculture." pp. 6109-10
18. BEEF PRICES. Sen. Thye inserted a table from the American Cattle Producer magazine showing the farm-retail spread in choice beef from 1947 through 1957. p. 6042
19. INFORMATION. Sen. Proxmire called for less secrecy in making Government information available to the public, and inserted an article on the subject. pp. 6047-48

HOUSE

20. DURUM WHEAT. Passed without amendment S. 3120, to provide increases in durum wheat allotments for 1958 and 1959 in the Tulalake area, Modoc and Siskiyou Counties, Calif. This bill will now be sent to the President. A similar House bill, H. R. 11092, was laid on the table. p. 6119
21. TOBACCO. Passed without amendment H. R. 11058, to reduce the acreage allotments of tobacco farmers who harvest more than one crop of tobacco in a year from the same acreage. p. 6114
22. ANNUAL LEAVE. Passed as reported H. R. 7710, to provide for the lump-sum payment of all accumulated and accrued annual leave of deceased Government employees. p. 6115
23. RECLAMATION. Passed without amendment S. 2037, to authorize the performance of necessary protection work between the Yuma project and Boulder Dam. p. 6113
24. COTTON. The Cotton Subcommittee ordered reported to the Agriculture Committee H. R. 9936, to increase the rate of penalty for overplanting cotton acreage allotments. p. D327
25. CROP INSURANCE. Rep. Hill commended the operations of the crop insurance program and urged that FCIC programs be extended to more farmers. p. 6123
26. CORN. At the request of Rep. Ford, passed over H. R. 10316, to exclude Ottawa County, Mich., from the commercial corn-producing area during 1958, and struck the bill from the Consent Calendar. p. 6113
27. WATER RESOURCES. Rep. Staggers spoke against any Potomac River watershed plans which would flood lands in his Congressional District in West Va. p. 6113
28. FOREST SERVICE. Passed as reported H. R. 7953, to facilitate and simplify the administration of the national forests. The bill provides authority to:
 - "Raise the limitation on reimbursement (from \$50 to \$2,500, except the limitation is not raised for employees of the Forest Service) to owners of rented equipment under verbal agreement for damages occurring while in use by the Forest Service.
 - "Contract with private parties to train, work, and care for Government-owned pack stock held in reserve for fire emergency purposes.
 - "Reimburse employees of the Forest Service for loss of, or damage to, clothing and other personal effects from fires, floods, or other casualties at places of temporary storage while engaged in connection with such casualties.
 - "Use Forest Service appropriations to cover costs of transporting employees' automobiles between points in Alaska in connection with transfer of official stations.
 - "Notify employees at isolated locations of serious illness or death of close relatives and pay cost of transporting such employees to point of nearest public transportation.
 - "Transfer to States fire-lookout towers and other improvements for fire control when no longer needed by the Forest Service but of value to States in their fire-protective systems. Transferred property would revert to the United States if it is not put to the use for which transferred within 2 years after the transfer, or if within 15 years after the transfer it ceases for a period of 2 years to be used for such purpose.

terior to convey certain land with improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the Lummi Indian Tribe, Lummi Reservation, Whatcom County, Washington, for the use and benefit of the members of the Lummi Indian Tribe, all right, title and interest of the United States to the following described land, together with any buildings or other improvements located thereon: Commencing at a point on the south line of lot 9, section 7, township 38 north, range 2 east, Willamette meridian, 9 chains east of the southwest corner of said lot; thence east 4 chains to a point on said south line; thence north 5 chains; thence west 4 chains; thence south 5 chains to point of beginning containing approximately 2 acres. Notwithstanding any other provision of law such land may be leased, sold, or otherwise disposed of by the sole authority of the Lummi Business Council in any manner similar land in the State in which such land is situated may be leased, sold, or otherwise disposed of by private landowners.

With the following committee amendment:

Page 2, line 10, add a new sentence reading as follows: "The land shall not be exempt from taxation because of Indian tribal ownership."

The committee amendment was agreed to.

VIRGIN ISLANDS NATIONAL PARK

The Clerk called the bill (S. 2183) to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. This is the last eligible bill on the calendar and completes the call of the calendar.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3120) to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulalake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(1) Notwithstanding any other provision of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 11092) were laid on the table.

AMENDING SECTION 39 OF THE TRADING WITH THE ENEMY ACT

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11668) to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 39 of the Trading With the Enemy Act of October 6, 1917, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this act, such sums, not to exceed \$5 million in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948, as amended."

The SPEAKER. Is a second demanded?

Mr. O'HARA of Minnesota. Mr. Speaker, I demand a second.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the Committee on Interstate and Foreign Commerce, after hearings, considered and reported unanimously the bill (H. R. 11668) authorizing the Attorney General to transfer to the war claims fund, from funds presently held by him which have resulted from the liquidation of enemy property, the sum of not to exceed \$5 million to satisfy unpaid awards heretofore or hereafter made under the War Claims Act.

This bill was introduced and sponsored by our distinguished majority leader the gentleman from Massachusetts [Mr. McCORMACK] who has at all times been keenly interested in this problem, which has caused much suffering and damage to property and facilities utilized by religious groups and organizations.

Our colleague, the gentleman from Massachusetts [Mr. McCORMACK] was the sponsor of the legislation in the 84th Congress which provided relief to religious organizations that extended assistance to our servicemen during World War II. This bill is a followup of that program in order to complete it and the purposes for which it was originally proposed. He is to be commended for his efforts and interest in this most worthy and important program.

Mr. Speaker, this legislation is necessary to keep faith with legislation enacted during the 84th Congress pursuant to which the Foreign Claims Settlement Commission approved a number of claims authorized by Public Law 997, 84th Congress. That law provided that religious organizations in the Philippines which, during World War II, extended relief to American servicemen, will receive compensation for their educational and welfare facilities which were destroyed or damaged during World War II. This compensation is paid out of the war claims fund which was established by the War Claims Act of 1948 and into which have been transferred by the Attorney General from liquidated enemy assets a total of \$225 million.

When the 84th Congress enacted Public Law 997, the best information available at that time indicated that the funds in the war claims fund would be sufficient to pay these awards. Now it is established that 21 awards totaling approximately \$3.2 million cannot be paid, while 19 other awards totaling approximately \$5.5 million were paid in full. It is, of course, inconceivable that this situation should be left where it is, and it is imperative that the 21 unpaid awards be paid as promptly as possible.

The committee report sets forth in detail the awards that have been made pursuant to the law, indicating those which are as yet unpaid; and the report also sets forth the status of the war claims fund at the present time.

Your committee, therefore, thinks this legislation is very desirable.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Is it the purpose of this legislation to authorize the payment of these other 19 claims?

Mr. HARRIS. The purpose of this legislation is to provide funds for the payment of such of these other 19 claims as the Foreign Claims Settlement Commission may approve.

Mr. BAILEY. I would like to inquire of the gentleman why it is that individuals who have claims for an award before the Court of Claims are apparently disregarded while most of the money that has accumulated in that fund received from the Japanese Government has been used to pay larger claims, leaving nothing for the smaller ones?

Mr. HARRIS. I am not aware of the fact any claims before the Court of Claims have not been given consideration. I do not know what instance the gentleman speaks of.

Mr. BAILEY. I have attempted to process a claim by a resident of my district whose husband had been killed the day the armistice was signed. The Japanese were not notified, they did not notify their airplanes and were not aware of the fact that an armistice was in existence. They attacked American planes and shot four of them down. One of them had aboard the husband of the lady for whom I introduced special legislation, but I never got to first base on it. We were told that there were claims of other people in America that were more important. All she was wanting to do was to get authority to sue the Japanese Government and she could not get that.

Mr. HARRIS. I am not familiar with the particular instance to which the gentleman refers. We have many, many private claims bills pending before the committee. But this is a different matter altogether.

Mr. BAILEY. I would like for the gentleman to answer the question, how and what relief will these private claimants receive, what chance will they have to get an adjudicated settlement? Are you going to consume all of the money that you have in that fund to pay off the larger ones?

Mr. HARRIS. The committee will be glad to go into the matter and see about it. We do not want to see an injustice done to anyone and it has always been the position of the committee to give every consideration to justifiable claims within the committee's authority.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

LATEST CREDIT EASING SHOWS FEDERAL RESERVE CONTINUES TO GIVE SPECIAL BENEFITS TO THE BANKERS AND MONEY- LENDERS

Mr. PATMAN. Mr. Speaker, the Federal Reserve System has two methods of tightening credit, and it has two methods of loosening credit. The machinery for both methods is in place and available for instant operation at all times. The Federal Reserve is fully aware of both methods, and it is fully aware of what the advantages and disadvantages are of using the two methods.

TWO METHODS OF CONTROLLING CREDIT

One of the standard methods by which credit may be eased is for the Open Market Committee of the Federal Reserve System to go into the open market and buy Government securities. When the System increases its holdings of securities, the result is to create more free bank reserves which the banks may then use for making loans or investments. Free reserves brought about in this way are created without lowering the percentage of reserves which the member banks are required to keep to meet depositors' demands for their money.

The other method is for the Federal Reserve Board to lower the percentage of reserves which the member banks of the System are required to keep.

The effects of using either of the two methods are in some respects the same. Both methods ease credit. Both methods give the private banks additional free reserves which they may use for making loans or investments. Both methods are inflationary. Both increase the supply of money and to ease credit to any given degree, both methods are equally inflationary.

There are, however, also vast differences between the practical effects of the two methods. In one instance the Government—or the Government's central bank creates the new money—and in this instance the Government, the taxpayers, and the borrowers from both the banks and the capital market all benefit, while the bankers and moneylenders receive only secondary and indirect benefits. In the other instance, the banks create the new money, and the principal benefits go to the banks and moneylenders, which the general public gain only secondary, overflow benefits, if any.

Needless to say, the credit easing which was announced last Thursday is the kind which helps the bankers and moneylenders and does little, if anything, for the general public. Such has been the consistent history of the Federal Reserve System over the past several years—first, through the period of making credit increasingly tighter and, more recently, with the several successive actions which the System has taken to ease credit since about November 15 of last year.

CONSISTENTLY USING THE METHOD THAT HELPS THE BANKERS AND MONEYLENDERS

With all the credit tightening of the years 1953 through 1957, in not one in-

stance were required reserves raised to contract the supply of bank credit. All actions in these years were to raise interest rates and to bring about the least contraction in the supply of credit on which the banks could make loans and investments. This meant that the credit tightening which took place came about indirectly. Interest rates on Government securities were raised, with the result that interest rates in the capital market—particularly on corporate bonds—were raised, and inevitably, the big corporations shifted a large part of their demand for credit from the capital market onto the commercial banks. It was in this way that the commercial banks were lent up to the full amount of their free reserves, and small firms seeking bank credit were told that there was simply not enough credit to go around.

Conversely, in the several moves which the Federal Reserve System has made to ease credit this year, it has consistently used methods which increased the credit supply and at the same time have the least tendency to bring down interest rates. Today, interest rates which the private banks charge on their loans to business firms are the same as they were a year ago. A year ago today, the prime rate—which is the rate the banks charge their biggest borrowers with the best credit ratings—was 4 percent. Today the prime rate is still 4 percent. On April 9 of this year, the member banks of the Federal Reserve System had \$561 million of free reserves. Yet on April 10 of last year, the member banks' free reserves were in a minus position to the extent of \$641 million. That is to say, last year the banks were in debt to the Federal Reserve System for reserves which means that they were under considerable pressure against expanding credit, whereas today, they have considerable potentialities which are not being used.

ADVANTAGES OF THE METHOD WHICH HELPS THE PUBLIC

The advantages of buying Government securities to ease credit, as contrasted to reducing the banks' required reserves, are these:

First, when the Federal Reserve System buys Government securities, the result is to save the Government and the taxpayers interest charges on the Federal debt. Interest charges paid on securities held by the System flow back into the Treasury, instead of going to fatten bank profits. Thus if the Open Market Committee had bought and held \$9 billion of Federal securities this year, instead of making 3 cuts in required reserves which will allow the private banks to create \$9 billion of new money, interest charges on the national debt and the burden on the taxpayer would have been reduced somewhere between \$200 million and \$250 million a year.

Second, by withdrawing Government securities from the open market, the price of the securities remaining in the market would have risen. This means that interest rates on Government se-

Public Law 85-390
85th Congress, S. 3120
May 1, 1958

AN ACT

To amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulalake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

“(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

Wheat acreage
allotments.
Tulalake area,
Calif.

52 Stat. 53.
7 USC 1334.

72 Stat. 101.
72 Stat. 102.

Approved May 1, 1958.

